

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7867

BILL NUMBER: HB 1959

DATE PREPARED: Jan 10, 2001

BILL AMENDED:

SUBJECT: Submetering for Water Service.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the owner of or landlord for a multiple dwelling unit to:

- (1) install a submetering system;
- (2) use an allocation method based on certain ratios; or
- (3) use another allocation method approved by the Indiana Utility Regulatory Commission;

to determine the quantity of water used by tenants and to invoice tenants for such use. The bill provides that the total charges to tenants for water used may not exceed: (1) the charges imposed on the owner or landlord by the public water service supplying water to the unit; plus (2) the actual administrative costs of the owner or landlord. This bill prohibits the owner or landlord from realizing a profit through the use of a submetering or allocation system. The bill provides that an owner or a landlord that uses a submetering or allocation system is considered a consecutive public water system for purposes of federal drinking water regulations. The bill provides that any monitoring, testing, recordkeeping, or other requirement imposed on a consecutive water system is satisfied when performed by the public water system supplying water to the multiple dwelling unit.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This proposal could require the IURC to establish methods for allocating water use among an apartment unit's tenants. The IURC is expected to be able to absorb any costs associated with developing these rules using existing staff and resources.

Explanation of State Revenues: The Indiana Utility Regulatory Commission and the Office of the Utility Consumer Counselor are funded by public utilities. The annual fee charged to utilities is based on the budgets of these two agencies. At the end of the fiscal year, if the total public utility fees in the Public Utility Fund plus the unspent balance of the Fund exceeds the total appropriations for the IURC and the OUCC (plus a

\$250,0000 contingency fund), then the IURC must compute each utility's share of the excess. This share is then deducted from any subsequent payment of the utility's public utility fees. In FY 2000, public utility fines and fees generated \$8,053,986.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources: